

U.S. Department of State
Overseas Buildings Operations



Industry Days 2006

Crystal Gateway Marriott
Arlington, Virginia
October 10-11, 2006



U.S. Department of State
Overseas Buildings Operations



The Overarching Focus *(The Mandate)*

- Our facilities play a critical role in Secretary Rice's focus on transformational diplomacy
- Delicately put in place new and improved diplomatic platforms overseas that provide security and safety, and allow for the transformation of diplomacy for the United States Government



U.S. Department of State
Overseas Buildings Operations



OBO's Business Philosophy (A True Partner)

- Strive for integrated partnership
- Employ Fair business practices
- Have NO preferred contractors, consultants, or vendors
- Show all our work early and to everyone
- Host information forums
- Host "Open House" – How to connect to our work sessions
- Pay all approved invoices within 30 days



U.S. Department of State Overseas Buildings Operations



OBO Levels the Playing Field (Risk Allocation)

<u>Issue</u>	<u>Risk Allocation</u>
• Security Stewardship	(OBO & Contractor)
• Site Conditions	(OBO)
• Host Country Approvals	(OBO)
• Schedule Duration – 15-28 Months	(Contractor)
• RFP Discipline	(OBO)
• Currency Fluctuation	(Contractor)
• Timely Submittals	(Contractor)
• Design Changes (outside the SED)	(OBO)
• Design Review Delays	(OBO)
• Construction Permit	(Contractor)
• Timely Responses to RFI	(OBO)
• Change Order Management (schedule)	(OBO)
• FEBR Doors/Windows GPE	(OBO)

Read the Contract – OBO & Contractor



U.S. Department of State
Overseas Buildings Operations



Some Quick Facts

Opened/Year

2001

2005

New Facilities

One

Twelve

OMB's "PART" rated OBO's New Construction Program for Capital Security Construction 97% (Effective) –Among the highest scores in the Federal Government.



U.S. Department of State
Overseas Buildings Operations



2001 – 2004

“Setting the Azimuth”
(A six sigma approach)

- Results-Based Operation focusing on Accountability, Performance, Credibility, and Discipline
 - Best Practices
 - Organizational and Cultural Changes
 - Achieving Results



U.S. Department of State Overseas Buildings Operations



2001-2005 Results

1. Abidjan
2. Abu Dhabi
3. Abuja
4. Astana
5. Bamako
6. Baghdad IOB
7. Bogotá NOX
8. Cape Town
9. Conakry
10. Conakry NOX
11. Dar Es Salaam
12. Dar Es Salaam NOX
13. Dili
14. Doha
15. Dushanbe



US Consulate General Frankfurt, Germany



US Consulate General Istanbul, Turkey



U.S. Department of State Overseas Buildings Operations



2001-2005 Results

16. Frankfurt
17. Istanbul
18. Kabul ARG/NOX
19. Kabul NEC
20. Kampala
21. Kampala NOX
22. Lima NOX
23. Luanda
24. Nairobi
25. Nairobi NOX
26. Phnom Penh
27. Phnom Penh NOX
28. São Paulo
29. Sofia
30. Tashkent



US Embassy Sofia, Bulgaria



US Embassy Tbilisi, Georgia



US Embassy Zagreb, Croatia



U.S. Department of State Overseas Buildings Operations



2001-2005 Results

- 31. Tbilisi
- 32. Tirana Annex
- 33. Tunis
- 34. Yaounde
- 35. Yerevan
- 36. Zagreb



US Embassy Tashkent, Uzbekistan



US Embassy Yerevan, Armenia



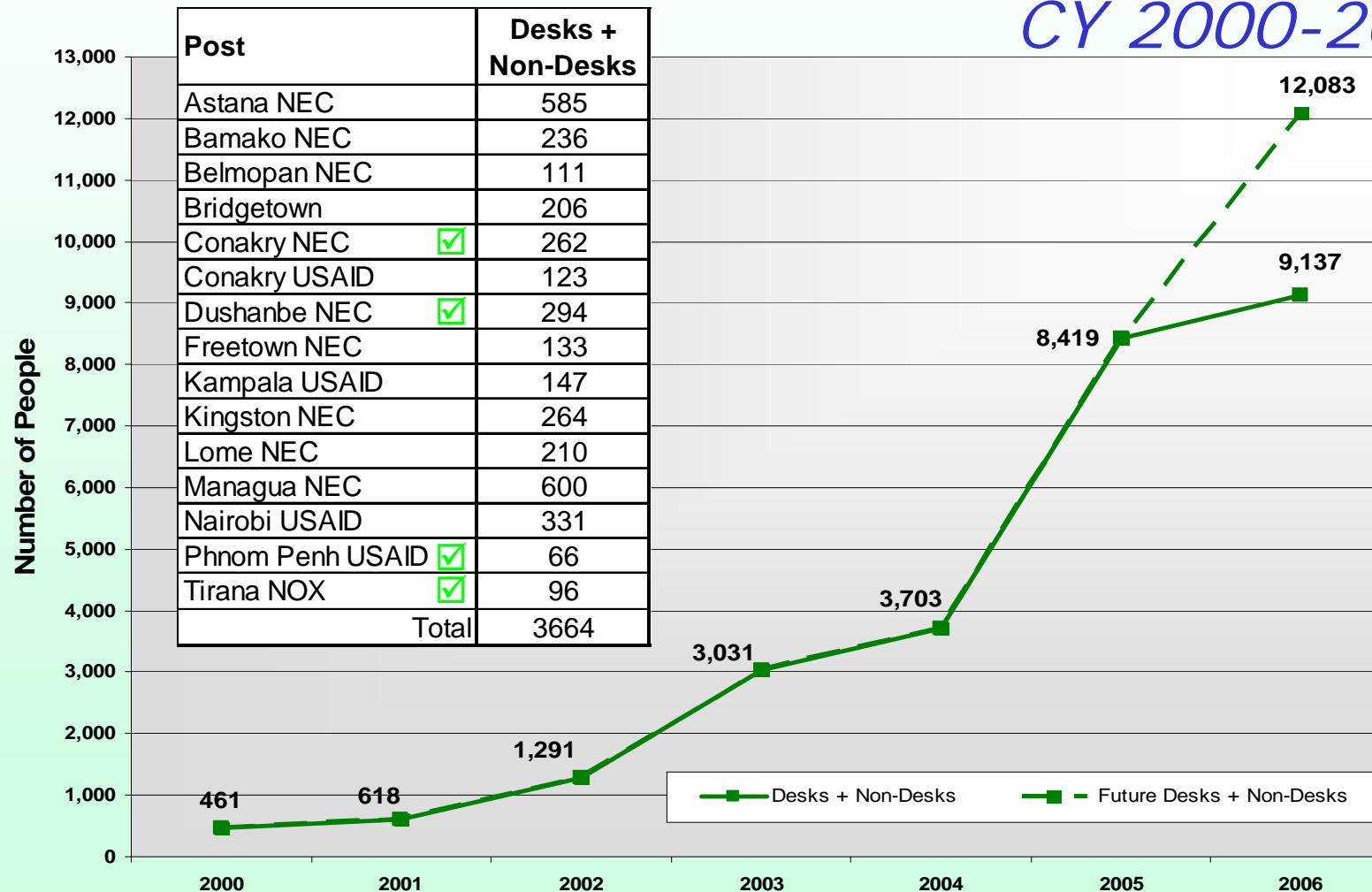
US Embassy Conakry, Guinea



U.S. Department of State Overseas Buildings Operations



Number of People Moved to Safer Facilities CY 2000-2005





U.S. Department of State
Overseas Buildings Operations



2005

Focus on Process Improvement
(A six sigma-with lean transition)

Theme

New Ways to Think-New Ways to Build

Vehicle

- The Williams 20 Program Management Concepts – A document containing 20 carefully crafted concepts that clearly fine tuned the project execution process (analysis, control, measurement)



U.S. Department of State
Overseas Buildings Operations



A High Performing Organization

- 195 New Embassies to build (\$17 B)
- Over 60 existing large embassies/consulates to rehabilitate
- Facilities Management Responsibility for 17,000 properties
- Managing a portfolio valued at \$14 B
- Annual Budget is at \$2 B
- A 1000 person workforce
- The DOS overseas property manager



U.S. Department of State Overseas Buildings Operations



Capital Construction Projects Under Design/Construction (\$million)

1 Abuja NOX	32.0	22 Khartoum NOX	20.0
2 Accra NEC	90.3	23 Kigali NEC	106.0
3 Accra NOX	22.6	24 Kingston	71.8
4 Algiers NEC	90.5	25 Kingston NOX	15.3
5 Athens annex	77.6	26 Kolonia NEC	5.0
6 Baghdad NEC	612.0	27 Koror NEC	5.0
7 Bamako NOX	19.2	28 Libreville NEC	79.7
8 Beijing NEC	434.0	29 Lome NEC	72.9
9 Belmopan NEC	63.8	30 Managua NEC	79.9
10 Berlin	143.0	31 Managua NOX	13.9
11 Bogota NOX	28.0	32 Mumbai NCC	122.9
12 Bridgetown NAB	31.9	33 Panama City NEC	100.6
13 Ciudad Juarez NCC	96.1	34 Port au Prince	108.5
14 Djibouti NEC	90.1	35 Quito NEC	98.9
15 Freetown NEC	60.2	36 Rangoon NEC	86.0
16 Guangzhou NCC	150.4	37 Skopje NEC	75.7
17 Jerusalem NOX	22.5	38 Skopje NOX	8.1
18 Johannesburg NEC	88.2	39 Surabaya NEC	54.2
19 Kathmandu NEC	90.7	40 Suva NEC	62.3
20 Kathmandu NOX	21.0	41 Taipei (design)	9.4
21 Khartoum NEC	106.7	42 Tbilisi NOX	20.6
			<hr/>
			3,587.5



U.S. Department of State
Overseas Buildings Operations



What Is on Our Plate Today

- 42 NEC /Annex projects under design/construction (\$3.6B)
- 24 rehab projects underway (\$332.2M)
- 197 Compound Security and FE/BR replacement projects (\$190M) underway
- 14 NEC/Annex projects planned for FY 07
- 76 NEC projects in Long-Range Overseas Buildings Plan (\$6.5B)
- 17,681 properties at 265 locations to serve



U.S. Department of State
Overseas Buildings Operations



July 2006 **ENR Magazine** stated that
**Factors influencing construction
going forward are:**

- The Skills Base and Culture of the Workforce
- Technology Advances
- The Size, Scope and Type of Project
- The Site Conditions and other Environmental Factors
- Design Integration of the project
- Labor/Capital Ratio



U.S. Department of State
Overseas Buildings Operations



2006 Going Forward

"Tackling the Process Flow"

Strategy

Employing "Lean" Thinking/Focus

- Reduce Waste
- Reduce Touch-Time
- Identify Value
- Identify the Value Stream
- Process Flexibility (Pull)
- Improve Process Flow



U.S. Department of State
Overseas Buildings Operations



Why this Path Now?

The Drivers

- Budgets are tighter (cost control at center stage)
- Accountability in Government is paramount today
- Several Wars ongoing
- Work Force Management Process Flow needs reworking
- Smarter Management & Enhanced Communication are musts



U.S. Department of State
Overseas Buildings Operations



Some Initiatives

(Corporate Action to Get the Ball Rolling)

- Move to capture useful lessons/innovations
- Fix O&M so it will work right (using “lean” initiatives)
- Install SLA’s for all services
- Use Technology where appropriate (BIM, etc.)



U.S. Department of State
Overseas Buildings Operations



OBO's Performance 2006.. "Small Business Prime Contracting"

<i>Business Type</i>	<i>%</i>	<i>Performance Dollars</i>	<i>Goals %</i>
<i>Small Business</i>	44.3%	\$154,828,756	40%
<i>Disadvantaged Small Business</i>	14.4%	\$50,283,167	14%
<i>8(a) Certified Small Business</i>	11.8%	\$41,349,794	7%
<i>Woman Owned Small Business</i>	9.6%	\$33,434,969	5%
<i>HUBZone Small Business</i>	7.4%	\$25,711,728	3%
<i>Service Disabled Veteran Owned Small Business</i>	13.0%	\$45,383,690	3%



U.S. Department of State Overseas Buildings Operations



New Facilities Planned for Award in 2007

- Asuncion NEC
- Addis Ababa NEC
- Antananarivo NEC
- Beirut* NEC
- Brazzaville* NEC
- Harare* NEC
- Juba NEC/Housing
- Karachi* NEC
- Kinshasa NEC
- Manila NOX
- Ouagadougou NEC
- Riga NEC
- Sarajevo NEC
- Tijuana NEC

** Projects funded in FY06, to be awarded first quarter FY07*



U.S. Department of State
Overseas Buildings Operations



New Embassy Construction (2001 - Present)





U.S. Department of State Overseas Buildings Operations



Completed Project (2002) Doha, Qatar NAB





U.S. Department of State Overseas Buildings Operations



Lima, Peru USAID (Annex)





U.S. Department of State Overseas Buildings Operations



Tunis, Tunisia NEC





U.S. Department of State Overseas Buildings Operations



Dar es Salaam, Tanzania NEC





U.S. Department of State
Overseas Buildings Operations



Dar es Salaam, Tanzania MSGO





U.S. Department of State
Overseas Buildings Operations



Dar es Salaam, Tanzania (USAID Building)





U.S. Department of State Overseas Buildings Operations



Nairobi, Kenya NEC





U.S. Department of State
Overseas Buildings Operations



Nairobi, Kenya MSGO





U.S. Department of State
Overseas Buildings Operations



Nairobi, Kenya USAID Annex





U.S. Department of State Overseas Buildings Operations



Istanbul, Turkey NEC





U.S. Department of State
Overseas Buildings Operations



Zagreb, Croatia NEC





U.S. Department of State Overseas Buildings Operations



Abu Dhabi, United Arab Emirates NEC





U.S. Department of State
Overseas Buildings Operations



Tirana, Albania MSGO





U.S. Department of State
Overseas Buildings Operations



Tirana, Albania Annex





U.S. Department of State Overseas Buildings Operations



Sofia, Bulgaria NEC





U.S. Department of State Overseas Buildings Operations



Yerevan, Armenia NEC





U.S. Department of State
Overseas Buildings Operations



Abidjan, Côte d'Ivoire NEC





U.S. Department of State
Overseas Buildings Operations



Abuja, Nigeria NEC





U.S. Department of State
Overseas Buildings Operations



Luanda, Angola NEC





U.S. Department of State
Overseas Buildings Operations



Cape Town, South Africa NEC





U.S. Department of State
Overseas Buildings Operations



Yaounde, Cameroon NEC





U.S. Department of State
Overseas Buildings Operations



Kabul, Afghanistan NEC



(Phase 2)





U.S. Department of State
Overseas Buildings Operations



Phnom Penh, Cambodia NEC





U.S. Department of State Overseas Buildings Operations



Frankfurt, Germany NAB





U.S. Department of State Overseas Buildings Operations



Tashkent, Uzbekistan NEC





U.S. Department of State Overseas Buildings Operations



Tbilisi, Georgia NEC





U.S. Department of State
Overseas Buildings Operations



Conakry, Guinea NEC





U.S. Department of State
Overseas Buildings Operations



Dushanbe, Tajikistan NEC





U.S. Department of State
Overseas Buildings Operations



Bamako, Mali NEC



91% Complete





U.S. Department of State
Overseas Buildings Operations



Astana, Kazakhstan NEC



98% Complete





U.S. Department of State
Overseas Buildings Operations



Bridgetown, Barbados NAB



98% Complete





U.S. Department of State
Overseas Buildings Operations



Freetown, Sierra Leone NEC



94% Complete





U.S. Department of State
Overseas Buildings Operations



Belmopan, Belize NEC



92% Complete





U.S. Department of State
Overseas Buildings Operations



Kingston, Jamaica NEC



89% Complete





U.S. Department of State
Overseas Buildings Operations



Kingston, Jamaica Staff Housing Powell Plaza



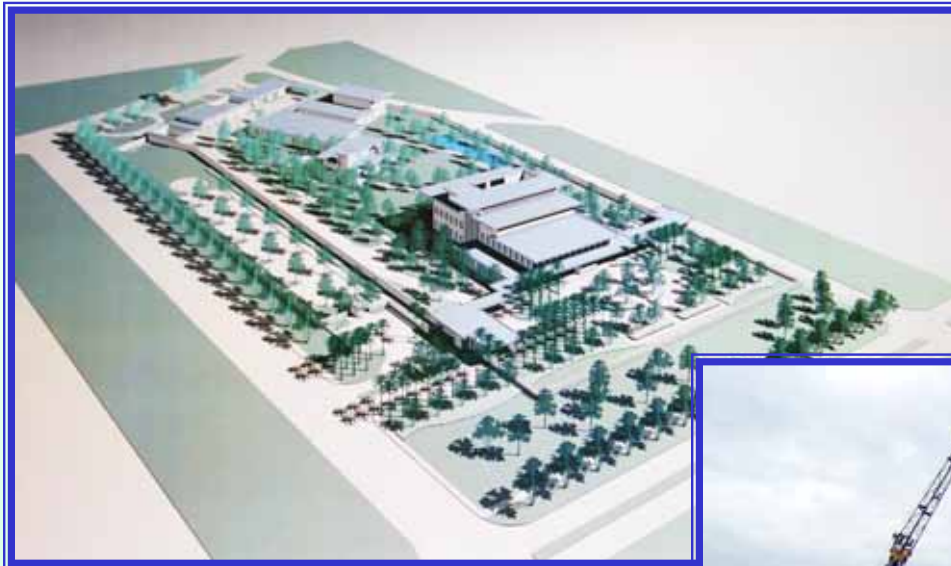
100% Complete



U.S. Department of State
Overseas Buildings Operations



Lomé, Togo NEC



85% Complete





U.S. Department of State
Overseas Buildings Operations



Athens, Greece NOX



79% Complete





U.S. Department of State
Overseas Buildings Operations



Accra, Ghana NEC



77% Complete





U.S. Department of State
Overseas Buildings Operations



Managua, Nicaragua NEC



76% Complete





U.S. Department of State
Overseas Buildings Operations



Katmandu, Nepal NEC



73% Complete





U.S. Department of State
Overseas Buildings Operations



Panama City, Panama NEC



70% Complete





U.S. Department of State
Overseas Buildings Operations



Algiers, Algeria NEC



65% Complete





U.S. Department of State Overseas Buildings Operations



Rangoon, Burma NEC



59% Complete

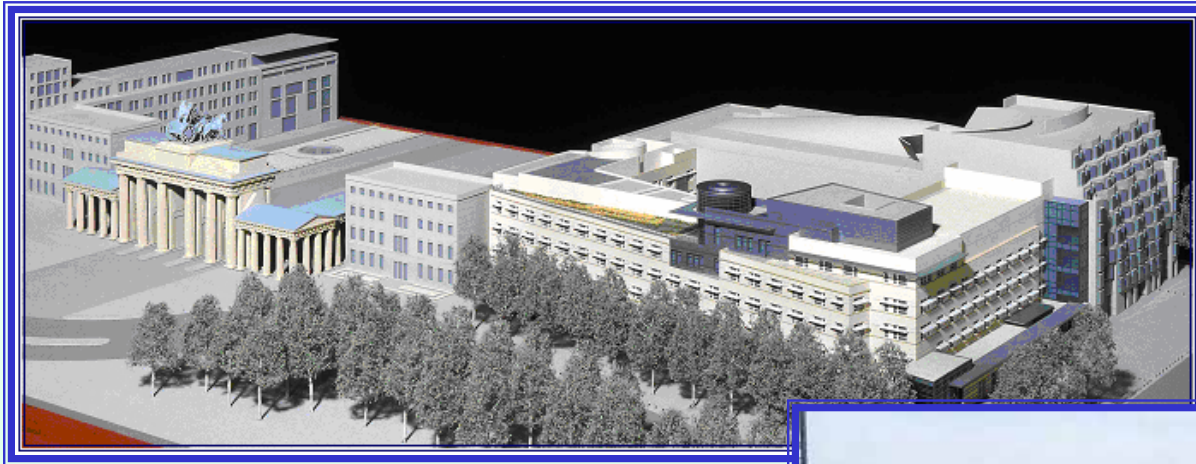




U.S. Department of State Overseas Buildings Operations



Berlin, Germany NEC



39% Complete





U.S. Department of State
Overseas Buildings Operations



Port-au-Prince, Haiti NEC



38% Complete





U.S. Department of State
Overseas Buildings Operations



Quito, Ecuador NEC



23% Complete





U.S. Department of State
Overseas Buildings Operations



Skopje, Macedonia NEC



12% Complete





U.S. Department of State
Overseas Buildings Operations



Mumbai, India NCC



5% Complete





U.S. Department of State
Overseas Buildings Operations



Beijing, PRC NEC



42% Complete





U.S. Department of State
Overseas Buildings Operations



Baghdad, Iraq NEC Status

- "Lean" construction execution is working
- Great management team
- Major challenges every day
- On schedule (55%)
- Managing to budget
- 11 months left to completion (24 months)
- Construction quality is superb



U.S. Department of State
Overseas Buildings Operations



Tough Road Ahead

- Beirut
- Karachi
- Addis Ababa
- Khartoum
- Tripoli



U.S. Department of State
Overseas Buildings Operations



Sustainable Design Recognition



U.S. Department of State
Overseas Buildings Operations



New Consulate Compound, Mumbai, India





U.S. Department of State
Overseas Buildings Operations



VIEW PRESENTATIONS
AT
WWW.STATE.GOV/OBO